

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0168-01
Bill No.: HB 26
Subject: Taxation and Revenue - General; Elections
Type: Original
Date: March 2, 2011

Bill Summary: This proposal changes the time between votes on city earnings taxes from five to twenty years.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **State Tax Commission** assume that there is no fiscal impact from this proposal.

In response to the 02 version of this bill, officials from the **Office of Secretary of State** and the **Department of Revenue** assume there would be no fiscal impact to their respective agencies.

In response to the 02 version of this bill, officials from the **City of St Louis** state currently, a five year election cycle would require the holding of a special election for every other 5 year cycle. So in the spring of 2016 for example, with no scheduled municipal elections, the cost of holding a special election can be expected to exceed \$300,000. Under a 20 year schedule, the earnings tax elections would coincide with scheduled municipal general elections and thus this additional cost would be eliminated.

Officials state more importantly, with the earnings tax receipts at approximately \$140M or about 31% of the City's general fund budget, the lengthening of the interval would provide additional budget and fiscal certainty that is currently jeopardized under the existing 5 year schedule. This would provide some relief to questions of the City's long term fiscal outlook and reduce the risk of higher borrowing costs.

Oversight assumes whether the election is held in five years or twenty years, it is beyond the scope of the fiscal note; therefore, Oversight will reflect a zero cost to state and local governments.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

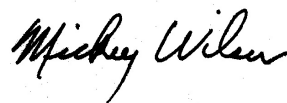
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Secretary of State
State Tax Commission
Department of Revenue
City of St. Louis

NOT RESPONDING

Jackson County Election Board
City of Kansas City



Mickey Wilson, CPA
Director
March 2, 2011